

Flexible Spending Account Health Care and Dependent Care 2009 Plan Year Grace Period

The State of Delaware has adopted the 2 ½ month grace period for incurring Flexible Spending Account (FSA) claims now allowed by the IRS. This means that you now have until March 15, 2010 to incur claims against your 2009 FSA. The State of Delaware adopted this amendment to reduce the chance that a participant in the FSA program will forfeit any funds.

Only those who have FSA coverage through December 31, 2009 can continue to incur claims against the 2009 plan year for services provided through March 15, 2010.

All FSA claims for services provided January 1, 2010 through March 15, 2010 will **automatically be processed against the 2009 plan year first** if filed by the claims filing deadline for that plan year. If your claim exceeds the available funds from the 2009 plan year, any excess will be automatically applied to the 2010 plan year.

Example 1: Kristen has \$50 remaining in her medical FSA at the end of the 2009 plan year and has no more expenses to submit with dates of service during the actual plan year. Two weeks after the end of the plan year, Kristen goes to her dentist and incurs a charge of \$145. She submits a claim to ASI. ASI's reimbursement software processes the claim and \$50 is applied to the remaining balance from the 2009 plan year, and \$95 is applied to the 2010 plan year's balance.

Example 2: Kristen submits the claim for her \$145 in dental expenses, but, knowing that she has a charge from the hospital for services provided during the past year, but has not received the statement yet, Kristen wants the entire \$145 to be applied to the current year. Kristen includes a note with the claim packet asking to apply the entire dollar amount to the new plan year. ASI's claim processor applies the entire reimbursement request to the new 2010 plan year.

Again, to help you retrieve all of your funds available at the close of the 2009 plan year, The State of Delaware has extended the **claims filing deadline to April 15, 2010**.

If you have further questions about this notice or need assistance with your FSA, please contact Statewide Benefits Office or ASI.

ASI
1-800-659-3035
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Saturday 10 a.m. to 2 p.m.
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Statewide Benefits Office
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